

PERFORMANCE OVERSIGHT COMMITTEE MEETING

July 19, 2018

The meeting was called to order at 9:00 a.m. in Port Authority's Neal H. Holmes Board Room located on the fifth floor of the Heinz 57 Center with the following in attendance:

Board Committee Members

Michelle Zmijanac, Chair
Representative Dom Costa
Jennifer Liptak
Rob Vescio

Other Board Member

John Tague
Rob Kania
Ann Ogoreuc

1. Approval of Minutes:

Minutes from the June 21, 2018 Performance Oversight Committee meeting were approved.

2. Proposed Resolutions:

There were seven resolutions reviewed by the Performance Oversight Committee for consideration.

The Committee first reviewed four procurement items and the Committee found the bids to be in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable, and the bidders to be responsive and responsible.

The Performance Oversight Committee agreed to recommend for award the four items for the total amount of approximately \$1.7 million.

The next resolution presented was Authorization to Award a General Construction Contract for the Bridge Restoration Group Project. Mr. Wargo reported that this Project will include the replacement and restoration of bridges along, but not limited to, Port Authority's LRT System. Work will consist of bridge replacement, concrete repairs, painting, paving and other miscellaneous restoration.

Only one bid was received, but staff determined that the bid of Michael Facchiano Contracting, Inc., for \$2,456,702.10, was responsive, the bidder responsible and the price fair and reasonable.

The Performance Oversight Committee agreed to recommend awarding the contract to Michael Facchiano Contracting, Inc. in that amount, subject to completing all pre-award requirements.

Mr. Wargo also presented the next resolution requesting authorization to enter into an Agreement to provide Bus Rapid Transit Phase III Engineering Services.

He reported that the Authority requires a contractor to provide engineering services to complete the final design to 60 percent completion, to support the final design of the "Locally Preferred Alternative," and for a construction grant application(s) as needed. Additional services that may be completed at the Authority's option include completion of the final design to 100 percent and construction phase services required to put the BRT into revenue service.

A Request for Proposals was prepared and publicly advertised and two proposals were received. The proposal submitted by AECOM Technical Services, Inc. has been determined to be the highest rated proposal for the performance of services.

The Performance recommends entering into an Agreement with AECOM, in an amount not-to-exceed \$10, 500,000, for an initial three-year period, with the option to extend the term of Agreement up to two additional years in one-year increments.

The next resolution reviewed was Authorization to Extend and Amend Agreements with a Pool of Firms to Provide General Marketing Services.

It was reported that the Board previously authorized entered into agreements with Red House Communications, Inc., Elisco Advertising, Inc., Campos, Inc., and Nakturnal for an initial term of four years for a total not-to-exceed \$1.8 million to be allocated on an as-needed basis through work orders. The initial four-year term of agreements expires on August 14, 2018 and the agreements contain two option years.

It was also reported that the four contractors performed the services satisfactorily.

The Performance Oversight Committee agreed to recommend extending the agreements with the four firms for one year and increasing the total not-to-exceed amount of agreements by \$1,440,255.

The next resolution reviewed was Authorization to Acquire Real Property. Mr. Cetra reported that the Authority has been leasing an approximately 3.5-acre parcel of real property along Repp Road in Plum Borough for the purposes of operating and maintaining a tower utilized for the operation of the Authority's radio communications system.

The owner of the property, the Filomena and Nicols Veltri Revocable Trust, advised the Authority of its intent to dispose of the property.

Due to its critical utilization as a communications tower for the operation of the Authority's radio communications system, the Performance Oversight Committee agreed to recommend the purchase of the property for \$250,000.

The next resolution reviewed was Authorization to Amend Port Authority's Nepotism, Patronage and Conflicts of Interest in Hiring and Employment Policy. Mr. Cetra reported that the policy was originally adopted in 1996.

He explained that based upon a review of the Policy by management of the Authority, it is recommended that the Policy be amended to include fraternization standards and prohibitions for managers of the Authority and further clarify prohibited conflicts of interest for employment with the Authority.

The Performance Oversight Committee agreed to recommend adopting the Amended Policy.

The final resolution reviewed by the Committee was Authorization to Enter into a Second Amendment to the existing agreement with Carnegie Mellon University.

Mr. Cetra explained that similar to other agreements with higher education universities, the agreement with CMU provides eligible students, faculty and staff with access to, and use of, the Authority's public transit system in exchange for fees paid by CMU as part of the Authority's U-Pass Program. The current agreement expires July 31, 2018. Among other terms and conditions, the agreement provides that CMU pay the Authority a fee of 50 percent of the Authority's base fare per card tap, which is currently \$1.25 per card tap.

The Second Amendment also provides that, effective January 1, 2019, CMU will convert to a compensation method and usage of the Authority's public transit system by CMU-issued identification card holders solely based upon card taps.

The Performance Oversight Committee agreed to recommend Entering in a Second Amendment and Extending the Agreement for one additional year to July 31, 2019.

3. Financial Report:

Mr. Schenk reported that Total Operating Income for the month of June was slightly under budget by approximately \$106,000. However, he noted that Total Operating Income for the fiscal year was \$5.02 million over budget primarily due to higher Passenger Revenue.

Mr. Schenk also reported that Total Expenses for the month of June were over budget by approximately \$161,000. Total Expenses for the fiscal year were \$16.27 million under budget. Total Subsidies for the month were \$6.04 million under budget. Approximately \$4.5 million of this was due to not having to use budgeted deferred State Operating Assistance.

With no further business, the meeting was adjourned.